



Security Council

Distr.: General
30 May 2018

Original: English

**Letter dated 16 May 2018 from the Chair of the Security Council
Committee established pursuant to resolution 1988 (2011)
addressed to the President of the Security Council**

I have the honour to transmit herewith the ninth report of the Analytical Support and Sanctions Monitoring Team established pursuant to resolution 1526 (2004), which was submitted to the Security Council Committee established pursuant to resolution 1988 (2011), in accordance with paragraph (a) of the annex to resolution 2255 (2015).

I should be grateful if the present letter and the report could be brought to the attention of the Security Council members and issued as a document of the Council.

(Signed) Kairat Umarov
Chair

Security Council Committee established
pursuant to resolution 1988 (2011)



Letter dated 30 April 2018 from the Analytical Support and Sanctions Monitoring Team addressed to the Chair of the Security Council Committee established pursuant to resolution 1988 (2011)

I have the honour to refer to paragraph (a) of the annex to Security Council resolution 2255 (2015), in which the Council requested the Monitoring Team to submit, in writing, two annual comprehensive, independent reports to the Committee, on implementation by Member States of the measures referred to in paragraph 1 of the resolution, including specific recommendations for improved implementation of the measures and possible new measures.

I therefore transmit to you the ninth report of the Monitoring Team, pursuant to the above-mentioned request. The Monitoring Team notes that the original language of the report is English.

(Signed) Edmund **Fitton-Brown**
Coordinator
Analytical Support and Sanctions Monitoring Team

Ninth report of the Analytical Support and Sanctions Monitoring Team submitted pursuant to resolution 2255 (2015) concerning the Taliban and other associated individuals and entities constituting a threat to the peace, stability and security of Afghanistan

Summary

The present report provides an update on the situation in Afghanistan since the issuance of the eighth report of the Monitoring Team (S/2017/409) in May 2017. It follows an offer to the Taliban of peace talks by the President of Afghanistan, Ashraf Ghani, during the Kabul Process conference in February 2018, in which the President proposed that the group be recognized as a legitimate political party if it committed to ceasing attacks and to negotiating. At the time of preparation of the present report, the Taliban had yet to make a clear official response, suggesting there may be internal debates as to next steps. Optimism for peace negotiations remains limited, however, with expectations that the 2018 fighting season will be at least as bloody as that of 2017. The fighting strength of the Taliban has held up, and they continue to obtain new weapons and military technology. International military efforts and the increase in the number and capabilities of Afghan government forces have, however, affected Taliban tactics.

Al-Qaida remains closely allied with and embedded within the Taliban. The Taliban provide an umbrella group and operating space for about 20 terrorist groups broadly aligned with Al-Qaida and Taliban objectives. Many of these militants in Afghanistan were displaced by security operations in the tribal areas of Pakistan. Collectively, they add numbers, capability and expertise to the Taliban and often provide training. Islamic State in Iraq and the Levant (ISIL) (listed as Al-Qaida in Iraq (QDe.115)) is the exception in this respect; its relationship with the Taliban is mainly adversarial. The total number of foreign terrorist fighters in Afghanistan with all terrorist groups (including ISIL) is estimated at 10,000 to 15,000.

Total opium production and Taliban income from the narcotics trade increased dramatically during 2017. This was related to an unprecedented increase in areas under opium poppy cultivation in Afghanistan, the introduction of a new strain of poppy capable of yielding more frequent harvests and the ability of the Taliban to effectively control all stages of production. The Taliban also profit from illegal mining and extortion of the population in areas under their control, which means that their overall capacity to pay fighters and sustain a large-scale insurgency is increasing.

In 2017, ISIL suffered many casualties but continued to grow gradually in overall numbers. It held on to reduced territory in its main stronghold, Afghanistan's eastern region, where it is reported to be balancing its forces to be less concentrated in Nangarhar Province and more concentrated in Kunar Province. It was also able to establish presences in many other provinces across the country. A breakaway Taliban faction declared for ISIL in Jowzjan Province in the north, where the presence of ethnic Central Asian supporters of ISIL is a concern for the States of the region. The impact of ISIL has been in the form of mass casualty attacks, mainly in Kabul, against Afghan government and Shiite targets. It has continued to receive financial support from the ISIL core. Its foreign terrorist fighters are mostly from the immediate region; however, veterans from Iraq and the Syrian Arab Republic may now account for 10 per cent of the ISIL numbers in Afghanistan.

The 1988 sanctions regime remains underutilized, with no new listings having occurred during the reporting period. No exemptions have been sought for travel by listed individuals, which is an area worth focusing on in the context of the Kabul Process for Peace and Security Cooperation.

Contents

	<i>Page</i>
I. Status of the Taliban	5
A. Status of the Taliban leadership	5
B. Expectations for the 2018 fighting season	6
C. Taliban and Al-Qaida	8
D. Taliban finances and connections to criminal organizations	9
II. Reconciliation	12
A. Gulbuddin Hekmatyar and Hizb-i Islami	12
B. Taliban	12
III. Islamic State in Iraq and the Levant in Afghanistan	13
IV. Foreign terrorist fighters in Afghanistan	16
V. Sanctions implementation	17
A. Travel ban	17
B. Asset freeze	18
C. Arms embargo	19
VI. Work of the Monitoring Team	21
A. Cooperation with Member States and academic and civil society experts	21
B. Cooperation with regional organizations	21
C. Cooperation with other United Nations bodies	21
D. Cooperation between the Security Council and the International Criminal Police Organization	21
E. Contributing to the public debate	22

I. Status of the Taliban

A. Status of the Taliban leadership

1. Several interlocutors of the Monitoring Team reported internal dissent among senior Taliban over what kind of formulated response should be presented to the offer of peace talks put forward by President Ghani in late February, at the second meeting of the Kabul Process for Peace and Security Cooperation.¹ These interlocutors stated that a body of senior Taliban leadership figures may be positively inclined towards peace rather than continued conflict, even without reference to the offer by President Ghani of peace talks without preconditions.

2. A press release issued on 11 April 2018, allegedly sent by the Taliban shadow governor for Helmand Province, Abdul Rahim Manan (also known as Mullah Manan, not listed), although its origin is still contested, criticized the leadership and policies of Haibatullah Akhundzada as being hypocritical and causing alienation among the local population. There was additional dissent related to reported deepening relationships with the Islamic Republic of Iran and other States, which many Taliban see as contrary to any spirit of Islamic jihad.

3. Other issues within the group included friction relating to finances, particularly poppy-derived finances, and overall allocation of resources. Taliban field commanders, most notably in the southern provinces, were assessed as increasingly reluctant to provide locally raised taxes to their leadership, who were seen as failing to involve those commanders engaged in the actual fighting in any level of consultation. One interlocutor stated that the head of the Taliban military commission, Mohammad Ibrahim Sardar (not listed) had personally relocated to Helmand to assist with operations. He was said to be staying there in sympathy with the views of local commanders in the field, including Abdul Qayyum Zakir (also known as Mullah Zakir Qayyum, not listed), who had expressed similar dissatisfaction.

4. Possibly in response to such criticism, the Taliban had reportedly undertaken a restructuring and made numerous appointments to senior leadership positions inside Afghanistan, which were described as the removal of the older generation in favour of younger Taliban leaders. According to the same interlocutors, the provincial shadow and deputy shadow governors, along with the provincial military commanders, were all replaced in the Provinces of Bamiyan, Baghlan, Kabul, Kapisa, Kunar, Laghman, Parwan, Samangan, Takhar and Uruzgan. Ousted individuals were reportedly removed owing to complaints from rank and file Taliban concerning deficiencies in logistical and financial support. Others stated that the same type of restructuring was simultaneously taking place within the Haqqani Network (TAe.012), with new Taliban provincial shadow governor appointments in Logar, Khost, Paktiya and Parwan Provinces all reportedly being given to Haqqani Network (TAe.012) individuals.

5. Contrary to some information from the beginning of 2017, there was no reporting of any relocation of the Taliban leadership council into Afghanistan. It was believed that senior Taliban figures Mohammad Ibrahim Sardar (not listed) and Mullah Gul Agha Ishakzai² (TAi.147) visited Helmand Province on a regular basis. Also, some interlocutors acknowledged the movement of certain mid-level Taliban commanders from abroad to areas of Helmand and Kandahar.

¹ The first Kabul Process meeting was held on 6 June 2017. The aim is to establish an Afghan-led peace process in cooperation with regional States and key members of the international community.

² Mullah Gul Agha Ishakzai (TAi.147) serves as the head of the Taliban financial commission and previously served as principle finance officer to Mullah Omar (TAi.004).

6. The military operational capacity of the Taliban inside Afghanistan does not appear to have been weakened by any disputes within the leadership. According to the majority of interlocutors, however, the reinforced military presence of the United States of America, particularly with regard to close air support of Afghan ground forces, has had a significant operational impact on the Taliban's campaign.

7. Whereas the Taliban were commonly viewed as having momentum toward the end of the 2017 fighting season, combined military operations against the Taliban by Afghan National Defence and Security Forces and international military forces have forced a change of Taliban tactics from large-scale mass assaults to smaller hit-and-run tactics. This shift was assessed to be the result of air strikes that led to high casualty rates of Taliban fighters when massed in open and exposed areas.³ There has been no recent repetition of military operations as ambitious as the taking of Kunduz during the 2016 fighting season.

8. Many interlocutors described a recent increase in Taliban asymmetric high-profile attacks in the country as a reaction to setbacks from repeated air and drone strikes, night raids and the successful targeting of Taliban commanders in the field. High-profile attacks had been carried out in frustration, but such attacks were, nevertheless, well prepared by "specialized advisers", and they helped to boost morale within the Taliban ranks.

9. Security reports from Afghan sources suggested that the leadership council had directed ground forces inside Afghanistan to divert from fighting in the open, owing to the threat of air strikes, and to take shelter within local populations, either to avoid air strikes or to provoke collateral damage that could be used as propaganda by the Taliban against Afghan and international military forces.

B. Expectations for the 2018 fighting season

10. The Taliban announced the beginning of the new fighting season on 25 April. All interlocutors of the Monitoring Team expected 2018 to be a challenging fighting season, and certainly no easier than 2017. Violence was not expected to lessen even if dialogue materialized between the Government of Afghanistan and the Taliban. There was, at best, an expectation of a bloody fighting season with negotiations taking place in parallel.

11. The nature of, and prospects for, the 2018 fighting season were deemed dependent upon the continued support of Afghan forces by the international military forces, and particularly the United States. Interlocutors were confident that the ability of the Taliban to take and hold additional territory had been checked, while the Afghan National Army and Afghan Air Force were growing in capability and experience. Many interlocutors still spoke of deficiencies in logistical supply and the effects of corruption, which hampered military efforts and depleted morale, but there was also a sense of confidence and determination among security officials. Interlocutors repeatedly spoke of "a big turnaround" in fighting taking place between October 2017 and March 2018, a swing that placed the Afghan National Defence and Security Forces in an offensive mood and posture.

12. Afghan officials indicated that the Afghan Air Force continued to develop and would soon include new capabilities such as the AC-208 aircraft, which would provide it with an organic intelligence surveillance and reconnaissance capability. The Afghan Air Force would also acquire 159 new UH-60 Black Hawk helicopters and additional A-29 Super Tucano and MD-530 Cayuse air assets. Furthermore, it

³ For example, one Member State referred to a single incident in Herat Province where approximately 350 Taliban were caught in the open and killed.

would more than double the size of its fleet by 2023.⁴ Meanwhile, according to the Afghan Ministry of Defence, 4,000 newly trained Afghan special forces were due to deploy at the end of April, with the intention of allowing regular Afghan forces the ability to conduct more offensive operations, while also providing enough boots on the ground to hold territory. Interlocutors believed that continued close air support from United States⁵ and North Atlantic Treaty Organization (NATO) forces would make it less likely that the Taliban would be able to take and hold any significant new territory.

13. The Taliban Head of Intelligence for the Southern Region, Mullah Shirin (also known as Mawlawi Shirin, not listed),⁶ reportedly entered Kandahar Province at the beginning of March to galvanize Taliban forces and oversee a change in battlefield tactics. These reportedly involved a return to asymmetric warfare and more traditional hit-and-run guerrilla attacks to avoid air strikes and heavy casualties by staying in small groups and keeping constantly mobile. The use of civilian (non-combatant) housing for temporary shelter was stated to be a Taliban directive to field commanders in order, as noted above, to avoid the possibility of air strikes and to capitalize on the propaganda value in cases in which civilian casualties were incurred as a result.

14. The Taliban were reported to be in the process of preparing lines of logistical supply and support in anticipation of the new spring offensive, as they enjoyed a large degree of freedom of movement. Taliban operations in 2018 against the Afghan National Defence and Security Forces and international military forces would likely combine an acceleration of small-scale unit attacks, suicide attacks and targeted killings. Unlike in the fighting seasons in 2016 and parts of the 2017, it was likely that there would be fewer large-scale assaults by Taliban forces.

15. In summary, interlocutors suggested that the Taliban and the Afghan National Defence and Security Forces were equally prepared for the upcoming fighting season. One particular concern voiced by officials of the Afghan National Defence and Security Forces related to security preparations for elections. Many believed that it would be difficult to fight the Taliban and secure elections at the same time.⁷

16. The number of Taliban members has remained consistent since the eighth report of the Monitoring Team (S/2017/409, para. 7). Estimates vary widely among Member State interlocutors, as well as among Afghan interlocutors, ranging from 25,000 to an upper estimate of 95,000. It is likely that these varying estimates result from the different methods by which the respective interlocutors count fighters and facilitators and whether they include fighters from other insurgency groups operating inside Afghanistan in the figures. In the assessment of the Monitoring Team, average seasonal numbers of between 45,000 and 65,000 still appear to be a logical estimate. By all reports and indications presented to the Monitoring Team, it does not appear that the Taliban are struggling with respect to recruitment, funding, weapons or ammunition.

⁴ The capabilities of the Afghan Air Force continued to advance with the release of its first GBU-28 laser-guided bomb against Taliban targets in March.

⁵ On 7 February 2018, United States Central Command officially designated the fight against the Taliban as its "main effort" and began shifting combat and intelligence-gathering air assets to Afghanistan (see www.rferl.org/a/afghanistan-us-coalition-air-forces-taliban-is/29026579.html).

⁶ In 2018, UNAMA reported "Mawlawi" Shirin as a Pashtun Alizai member of the senior Taliban leadership from the Quetta shura and as Taliban Head of Intelligence for the South and Southwestern Provinces. Shirin previously served as a close protection officer for former Taliban leader Mullah Mohammed Omar (TAi.004).

⁷ As of April 2018, Taliban (and ISIL) intimidation campaigns and attacks directed at voter registration had already begun.

17. Most Taliban forces remained in Afghanistan over the winter season, as fighting did not fully abate at any stage. Meanwhile, Afghan refugee camps were reported by the interlocutors of the Monitoring Team to be targets for Taliban recruitment.

18. While control of 30 to 40 per cent of Afghan territory was contested between the Taliban and government forces, 10 to 13 districts were reported to be under full Taliban control.⁸ One Member State estimated that the Taliban enjoyed full (uncontested) control of 40 per cent of Afghan territory, while the Collective Security Treaty Organization assessed that approximately half of the Afghan population (15 million) were living in areas where the Taliban were active. Interlocutors noted, however, that the stated goal of the Taliban 2017 fighting season (dubbed "Operation Mansouri" after deceased former Taliban leader Akhtar Mohammad Mansour Shah Mohammed (TAi.011)) of capturing a provincial capital had not been realized.

C. Taliban and Al-Qaida

19. In the assessment of the Afghan interlocutors of the Monitoring Team, the Taliban continue to be the main accommodating force for the overwhelming majority of foreign terrorist groups operating in Afghanistan, with the exception of ISIL. The Taliban cooperate and retain strong links with Al-Qaida (QDe.004), Al-Qaida in the Indian Subcontinent, the Haqqani Network (TAe.012),⁹ Lashkar-e-Tayyiba (QDe.118), the Islamic Movement of Uzbekistan (QDe.010), the East Turkistan Islamic Movement (QDe.088) and more than a dozen other regionally and globally focused groups. Foreign militants operating under the protection of the Taliban umbrella frequently provide military expertise and added capability. In return, these groups are provided safe havens and the ability to move forward their own individual militant agendas.

20. Interlocutors reported a greater presence of Al-Qaida compared with the last reporting period (see S/2017/409), during which the number of Al-Qaida members in Afghanistan had been estimated at approximately 100 to 120. Updated reporting from 2018 suggests that the group has increased its presence in Afghanistan to between 265 and 400, not including affiliate groups such as the East Turkistan Islamic Movement (QDe.088), the Islamic Movement of Uzbekistan (QDe.010) or Lashkar-e-Tayyiba (QDe.118). Al-Qaida increases were most noticeable in Badakhshan, Kunar, Nangarhar and Nuristan Provinces, and were assessed by interlocutors as being directly related to the displacement of militants from the tribal areas of Pakistan. This is consistent with the analysis of other regional Member States. Afghan officials reported that the Al-Qaida leader in Kunar and Nangarhar was a national of Saudi Arabia and former adviser to Usama bin Laden by the name of Abu Akhund (not listed). Akhund is normally located outside the country, but is reported to travel regularly to the eastern region of Afghanistan. The 35-year-old son of Usama bin Laden, Abdullah bin Laden (not listed), was reported to have led a group of 115 Al-Qaida fighters from abroad, via Paktiya and Kunar Provinces, into Warduj district of Badakhshan, where the group was intent on establishing a presence.

21. In the south, Al-Qaida was reported to be present in Helmand, Kandahar and Uruzgan Provinces, and, more specifically, in the Khak-e-Afghan and Day Chopan districts of Zabul Province. These two districts were reportedly used as both safe haven and training camp locations associated with foreign terrorist fighters. Al-Qaida

⁸ The Special Inspector General for Afghanistan Reconstruction reported in January 2018 that 13 districts were under insurgent control, with 14.3 per cent of the country's districts reportedly under either direct insurgent control or influence. A British Broadcasting Corporation (BBC) World Service report on 31 January 2018 suggested that the Taliban were currently openly active in 70 per cent of the Afghan territory.

⁹ The Haqqani Network is officially part of the Taliban.

was said to be active in other parts of the southern region via its affiliate, Lashkar-e-Tayyiba. It was reported to the Monitoring Team that the Taliban continued to facilitate the passage of groups associated with Al-Qaida from abroad, through Zabul and Uruzgan Provinces and into Helmand.

22. In early December 2017, United States forces announced the death of Omar bin Khatab (also known as Omar Mansoor, not listed), whom United States officials described as the second-most important leader for Al-Qaida in the Indian Subcontinent (Al-Qaida's most recently established affiliate) and the highest-ranking Al-Qaida leader to be killed in Afghanistan since 2001. Khatab was reportedly killed in Ghazni Province during a combined United States-Afghan military operation.¹⁰ In a separate press release, the National Directorate of Security of Afghanistan indicated that the joint operation was one of a number of operations against Al-Qaida in Ghazni, Pakiya and Zabul Provinces that had resulted in the deaths of 80 Al-Qaida members and the capture of a further 27.¹¹

23. Following a call by Al-Qaida leader Ayman Muhammed Rabi al-Zawahiri (QDi.006) in August 2016 for Muslims to rally around the Taliban and reject ISIL, the rhetorical war between Al-Qaida and ISIL in Afghanistan has calmed down. Al-Qaida continues, however, to identify with and to broadcast its links to the Taliban. The spokesperson for Al-Qaida in the Indian Subcontinent gave an interview in Urdu on 24 November 2017, in which he identified Al-Qaida in the Indian Subcontinent as "an extension of the blessed campaign of the Islamic Emirate of Afghanistan" and stated that the group's priority was to "defend and empower the Islamic Emirate of Afghanistan". Previously, on the sixteenth anniversary of the attacks of 11 September 2001, Al-Qaida in the Arabian Peninsula (QDe.129) produced a statement from its al-Malahem Media Foundation in which the group praised the "steadfastness" of the Afghan Taliban in its continued resistance to the United States in Afghanistan.

D. Taliban finances and connections to criminal organizations

24. Afghan interlocutors and figures published by the United Nations Office on Drugs and Crime (UNODC) in its *Afghanistan Opium Survey 2017* highlighted the fact that 2017 had seen an increase in the production of opium in Afghanistan by 87 per cent and an increase in the net total area under opium cultivation by 63 per cent in comparison with 2016, with both reaching new record highs. The report indicated that the area of cultivation in 2017 exceeded that of 2014 (224,000 hectares), which was previously the highest level recorded, by 104,000 hectares, or by roughly 46 per cent. Large increases were recorded in more traditional areas in the south of Afghanistan, but there were also strong increases in less traditional cultivating provinces, such as Balkh in the north, where a 481 per cent increase occurred. Helmand Province continued to be, by far, the largest area of poppy cultivation in Afghanistan, with 144,018 hectares, an increase of 63,700 hectares (or 79 per cent) compared with 2016, which corresponded to approximately one half of the overall national increase in the country. It was also noted in the UNODC report that, in contrast, only 750 hectares of opium poppy had been eradicated in 2017, demonstrating the significant imbalance in production and eradication processes. With no noticeable reduction in poppy cultivation, it seems that heavy fighting did not affect crop production or harvest, in contrast with the situation in 2016. The

¹⁰ NATO Resolute Support Afghanistan, "Afghan and US Forces-Afghanistan kill top terrorist leaders", 5 December 2017. Available from <https://rs.nato.int/news-center/press-releases/2017/afghan-and-us-forcesafghanistan-kill-top-terrorist-leaders.aspx>.

¹¹ ITVNews (Kabul), "Al-Qaeda top commander among 80 members killed in Afghanistan", 5 December 2017. Available from www.itvnews.af/en/news/afghanistan/32423-al-qaeda-top-commander-among-80-members-killed-in-afghanistan-

Collective Security Treaty Organization noted that the production of raw opium in Afghanistan in 2017 was more than 40 times higher than it was in 2001 and now accounted for 90 per cent of all illegal production in the world.

25. While there was a modest reduction in the average farm-gate price for both fresh and dry opium by weight, total opium production rose in 2017 to an estimated 8,000–10,000 metric tons, compared with the previous year's estimated potential production of 4,000–5,600 metric tons. More than 90 per cent of the narcotics production in Afghanistan continues to occur within Taliban-controlled areas. As noted by the Monitoring Team in its eighth report, the Taliban currently take part directly in the production, processing and trafficking of virtually all heroin being produced and exported from Afghanistan, rather than simply taxing those activities (S/2017/409, para. 20). With the marked increase in production and value, the Taliban income generated from the narcotics trade is, therefore, also estimated to have risen significantly in 2017.

26. While it is difficult to draw immediate conclusions, one reason that opium production rose more dramatically than the area under cultivation was said to be the introduction of a new strain of poppy that is capable of three yields per year (compared with two previously). What is apparent is that many of the provinces with the most dramatic increases in cultivation are those in which Taliban activity undermines security. Apart from this fact, it is difficult to ascertain from reports to the Monitoring Team any one reason for the noteworthy 2017 increase in opium poppy cultivation. There were probably a number of factors involved, including lack of government control, corruption, continued advances in agricultural technology and the appeal of such a lucrative crop to many impoverished farmers.

27. Since November 2017, United States forces in Afghanistan and the NATO Resolute Support Mission have begun targeting drug laboratories in the south of Afghanistan, where opium is processed into heroin, in an effort to disrupt and destroy the ability of the Taliban to benefit from financing from narcotics. Key narcotics distribution hubs were targeted, reportedly in the Baramcha, Band-i-Timor, Ghorak, Kajaki, Musa Qal'ah and Sangin districts within Kandahar and Helmand Provinces. Various Afghan interlocutors stated to the Monitoring Team that between 25 and 33 processing laboratories had been destroyed during the first month of the campaign, with lost revenue to the Taliban amounting to \$33 million to \$40 million.

28. It was also reported to the Monitoring Team that interdictions of chemical precursors during June and July 2017 by elements of the Special Operations Joint Task Force-Afghanistan had made some quantifiable impact, notably in acetic anhydride availability, which had roughly doubled in price to \$2,000 per litre owing to seizures of the chemical. During September, however, the Monitoring Team received information that the price had dropped once again, indicating that it was likely that shipments of the chemical had recently arrived, reducing the imbalance of demand over supply. Precursor chemicals are a vital choke point in the opium/heroin business because it is only viable to export refined heroin (it takes about 10 kg of opium to produce 1 kg of heroin). The precursors also have a short shelf-life (up to 40 days), which necessitates established channels for regular deliveries and offers Afghan and international counter-narcotic projects options for disruption.

29. While measures such as the deliberate targeting of heroin processing labs and chemical precursor stocks no doubt serve to damage some elements of Taliban income revenue, it remains to be seen how effective such actions are in the long term, as the opium economy of Afghanistan has previously proved resilient. Afghan officials in the south reported to the Monitoring Team that processing labs could be quickly set up again in a matter of days, and that, furthermore, the Taliban had taken effective actions to counter the threat posed by air strikes by moving processing laboratories

into populated market areas, where the ramifications of any collateral damage from further air strikes would be likely to serve as a deterrent to Afghan and international forces.

30. With respect to the export of narcotics, Afghan interlocutors stated to the Monitoring Team that the four main channels, based on volume, were as follows: (a) the Balkans route, with 40 per cent of the narcotics exported; (b) the Indian Ocean route, with 30 per cent; (c) the northern route, with 25 per cent; and (d) narcotics exports via international airports within Afghanistan, with 5 per cent. In the past year, a number of new seizures of Afghan heroin have been reported in both Canada and the United States, which are markets that have been traditionally supplied by Mexican heroin production.¹²

31. All interlocutors remained in agreement that involvement in the international narcotics trade continued to represent the most significant source of Taliban income. One Member State estimated that total Taliban income from narcotics during 2016–2017 amounted to approximately \$400 million, which is the amount also estimated by the Monitoring Team in its seventh report (see S/2016/842, para. 15). In the context of current overall increases in poppy cultivation and the fact that the Taliban now control all aspects of production, it is likely that the amount is higher.

32. The Monitoring Team has been highlighting Taliban asset generation based on the illegal extraction of natural resources and extortion from commercial mining operations in Afghanistan in its reports since the end of 2014 and has presented a range of recommendations on the issue (see S/2015/79, paras. 22–30; S/2015/648, paras. 42–47; and S/2016/842, paras. 49–54). The Monitoring Team will remain in regular contact with the Afghan authorities, particularly the Ministry of Mines and Petroleum, to monitor and update the situation regarding the illicit extraction of mineral resources to generate income for the Taliban and ISIL. One regional Member State reported having disrupted Taliban smuggling of onyx marble, phosphate and pine nuts from Afghanistan.

33. Interlocutors continued to report to the Monitoring Team that a further source of income for the Taliban remained donations from wealthy sponsors in the Middle East. The Gulf region also remains important to the Taliban as a location where drug revenue can be laundered through legal structures belonging to local Afghan expatriates.

34. **The Monitoring Team recommends that the Committee write to all Member States reminding them of the Taliban's strategic significance to the world supply of opium (and therefore heroin) and of the capacity that exists and is developing to analyse drug consignments and pinpoint their origin, and encouraging Member States worldwide that have information that credibly links heroin dealers to supplies originating from Taliban-controlled areas of Afghanistan to consider putting forward those individuals (regardless of nationality or location) for listing under the 1988 (2011) sanctions regime.**

35. **The Monitoring Team further recommends that the Committee write to all Member States drawing attention to the importance of short shelf-life chemical precursors to the production of heroin from opium, and encouraging them to**

¹² See Nate Gartrell, "DEA busts multi-million dollar Afghanistan heroin smuggling ring with Bay Area connection; defendant said to have Taliban ties", *East Bay Times* (Oakland), 2 April 2018 (available from www.eastbaytimes.com/2018/04/02/dea-busts-multi-million-dollar-afghanistan-heroin-smuggling-ring-defendant-claimed-to-have-taliban-ties/); and "Most of heroin consumed in Canada is of Afghan origin", *Asian Pacific Post*, 22 August 2017 (available from www.asianpacificpost.com/article/8057-most-heroin-consumed-canada-afghan-origin.html).

enhance measures to control the production, distribution and export of such chemicals to Afghanistan.

II. Reconciliation

A. Gulbuddin Hekmatyar and Hizb-i Islami

36. Following his delisting from the ISIL (Da'esh) and Al-Qaida sanctions list in February 2017,¹³ Gulbuddin Hekmatyar returned to Afghanistan in early May 2017. Since taking up residency in Kabul, Hekmatyar has been politically active in supporting the peace process and democratic elections, but nonetheless remains a divisive figure to many Afghans. Afghan officials reported to the Monitoring Team that Hekmatyar is likely to run in future presidential elections, although he has yet to unite the various factions of Hizb-i-Islami.

37. The Government of Afghanistan and Hekmatyar himself have repeatedly put forward his case and that of his party as a template framework for any potential reconciliation process with the Taliban. At a Hizb-i Islami party congress in November, Hekmatyar stated that the party would support the Taliban and their demands once they had agreed to join the reconciliation process. Hekmatyar has also made claims that he is establishing himself as an intermediary with the Taliban leader, Haibatullah Akhundzada. He has recently echoed President Ghani's call for the Taliban to participate in the parliamentary elections scheduled for late October. Hekmatyar has emphasized that the reconciliation strategy would be more attractive to the Taliban if the Government fully undertook its reconciliation obligations towards Hizb-i Islami Gulbuddin, such as concluding the release of Hizb-i Islami Gulbuddin prisoners from government incarceration.¹⁴

B. Taliban

38. Afghan interlocutors of the Monitoring Team reported that they saw no deliberate movement of the Taliban towards reconciliation following the offer of unconditional talks from President Ghani in late February, but most admitted that it was early to expect a response, as the Taliban would need time to ponder the offer and its implications. One interlocutor stated that intelligence from "across the border" had signalled that "the majority of them [the Taliban] are for it, a minority are still thinking". It was also reported to the Monitoring Team that winter season had seen a spike in Taliban interest in the peace process, "more so than in the past 17 years".

39. Most interlocutors of the Monitoring Team were of the opinion that a positive response from the Taliban to President Ghani's offer was unlikely. Officials believed that there were various factions within the Taliban movement, and that some might be inclined to act differently, but that most Taliban fighters had little trust in the Government's readiness to accommodate their requirements.

40. Efforts of the Afghan High Peace Council have increased following the offer of the President, with the Council attempting to apply religious pressure on the Taliban leadership to negotiate. On 14 April, the Head of the Secretariat of the Council, Mohammad Akram Khpalwak, addressed the Wolesi Jirga (the lower house of the National Assembly) and offered that domestic, regional and international pressure

¹³ Hekmatyar remains on a number of Member States' sanctions lists, including the United States Office of Foreign Assets Control list.

¹⁴ Hizb-i-Islami has stated that 91 of its members remain in prison. The issue of prisoner release and food distribution to the group remain controversial.

would be needed to compel the Taliban to participate in peace talks. In line with this, the Council has worked with the Ulama Councils of Indonesia and Pakistan towards the holding of a trilateral conference, which religious scholars from all three countries would attend, in late April to support the peace process. The Secretary of the Ulama Council of Indonesia made public reference to representatives from the Taliban being expected to attend. The Taliban issued a statement on 10 March 2018, however, that urged Islamic scholars to boycott the Indonesian summit convened with the Council.¹⁵

III. Islamic State in Iraq and the Levant in Afghanistan

41. Afghan interlocutors and Member States reported that, during 2017, ISIL persistently tried to expand its presence in Afghanistan. It currently maintains an active presence in the Provinces of Kunar and Nangarhar in the east, while an ISIL group has appeared in Jowzjan Province in the north. Afghan interlocutors also reported that ISIL had attempted to establish small "sleeping cells" for further desired expansion into Ghazni, Kunduz, Laghman, Logar and Uruzgan Provinces.

42. The overall number of ISIL members in the country has been estimated at between 1,500 and 6,000. The Monitoring Team's estimate, based on a cluster of Member States' assessments, is approximately 3,500 to 4,000, while Afghan estimates suggest that 600 to 1000 of these are in the north. Afghan officials reported that the overall ISIL leader in Afghanistan was still Abu Sayed Bajauri¹⁶ and that the majority of the members of ISIL, particularly its leaders, were former members of Tehrik-e-Taliban, Pakistan (QDe.132).

43. Afghan interlocutors stated that 1,800 Islamic State in Iraq and the Levant-Khorasan Province (ISIL-KP) fighters had been killed in combined Afghan National Defence and Security Forces and international military forces operations in the past 12 months in Kunar and Nangarhar Provinces. In 2017, operations of the Afghan National Defence and Security Forces against ISIL in Kunar and Nangarhar (Operation Hamza) had succeeded in significantly reducing the ISIL presence in the Achin and Kot districts. Four company-sized forward operating bases, two in each district, were subsequently established to maintain the presence of Afghan National Defence and Security Forces. Afghan officials reported that, as a consequence, the ISIL presence in those two districts was now greatly reduced. Despite this, ISIL has managed to maintain pockets in southern Nangarhar areas that straddle the Spin Ghar mountain range. During the latter part of 2017, the group launched operations against Taliban forces, pressing westwards, with the stated objective of reaching the Azra district of Logar Province and expanding north to the Surobi-Jalalabad highway, where they have established a foothold in the Alingar district of Laghman Province. Similar ISIL attempts to take strategic Taliban positions occurred during May 2017 in the Suleiman Khel and Tora Bora areas.

44. ISIL internal fighting in Nangarhar Province was reported to be stressing the group. The origin of the conflict concerned access to local resources in the district of Achin and involved ISIL factions from Kunar fighting with ISIL factions from Orakzai Agency based in Nangarhar. In-fighting over resources may suggest that the group is not as well funded as previously believed. Afghan interlocutors also reported

¹⁵ "Afghan Taliban urge religious scholars to boycott peace", Reuters, 10 March 2018. Available from www.reuters.com/article/us-afghanistan-taliban/afghan-taliban-urge-religious-scholars-to-boycott-peace-conference-idUSKCN1GM0C1.

¹⁶ The first ISIL-KP leader, Hafiz Sayed Khan, was killed in July 2016, his successor, Abdul Hasib Logari, in April 2017, and the third leader of the group, Abu Sayed, in July 2017.

clashes between elements of ISIL and Lashkar-e-Islam (not listed) in the districts of Achin and Nazyan in Nangarhar, which were also believed to be resource-related.

45. In spite of, or possibly owing to, battlefield setbacks, there was a marked increase in high-profile attacks claimed by ISIL, mainly against Shiite, government and foreign-affiliated targets. Attacks against Shiites (Hazara) included the killing of over 50 Hazara in Sari Pul Province on 19 August and suicide attacks against the Shiite Tebyan Cultural Centre in Kabul on 28 December, a Shiite shrine during Nowruz celebrations on 21 March and the Nabi Akram Shiite mosque in Herat on 25 March, and a further suicide attack against a voter registration centre in a predominantly Shiite neighbourhood of Kabul on 22 April that killed 70 or more persons. The group claimed responsibility for an attack on 25 January against the offices of Save the Children in Jalalabad directed at "British and Swedish institutes". Two further notable attacks occurred on 7 March, when the group claimed responsibility for the targeted killing of the local Minister of Haj and Religious Affairs, Haji Nasir Haqqani, in Jalalabad by a suicide bomber,¹⁷ and on 19 March, when a motorcycle-borne improvised explosive device detonated outside a Jalalabad sports stadium where Gulbuddin Hekmatyar was in the process of finishing a pro-government political rally for supporters.

46. Afghan special forces, conducting a night raid at the end of February, captured the leader of ISIL in Jalalabad, Qari Amanullah, along with his brother, Mullah Rauf. Confiscated mobile phones showed the group using WhatsApp and Viber social-media applications to communicate. Amanullah had been affiliated with Al-Qaida until moving to ISIL in 2016 with 20 other individuals. He was appointed head of ISIL operations for Jalalabad in September 2017. His nephew was said to be Mullah Fazal Kareem, a member of the ISIL "Kunar shura" and recruiter for the group. The family had previously been with Al-Qaida under the leadership of Abu Suleiman, an Al-Qaida leader of Arab origin, who is now based in the Darah-ye Pech district of Kunar Province.

47. ISIL command and control remains within the southern belt of Nangarhar districts, with ISIL Kunar and other areas subordinate to it. There was, however, reporting that, owing to losses sustained in fighting with Afghan National Defence and Security Forces and international military forces, as well as with the Taliban, ISIL was in the process of relocating most of its fighters and headquarters to Kunar Province. Any further ISIL influx into Kunar was expected to lead to more fighting with local Taliban forces.

48. With regard to Kunar, Afghan officials reported that the Dugal Valley area of the Chapa Dara district was becoming an ISIL stronghold. ISIL was also reported to be in the Waygal Valley area and in remote areas of the Chapa Dara and Shorak districts, which were cited as locations for ISIL training camps. Kunar has traditionally had a large radical population, and Afghan interlocutors described it as unsurprising that ISIL had decided to relocate there. One interlocutor stated to the Monitoring Team that "the real ISIL in Afghanistan were not from Iraq or Syria, but from Kunar".¹⁸

49. A new development for ISIL in Afghanistan has been the establishment of an affiliate group in the northern Province of Jowzjan led by an ethnic Uzbek, Qari Hekmatullah (also known as Qari Hekmat). Hekmatullah, a dissident Taliban commander and former Taliban district shadow governor for his home district of Darzab in Jowzjan, aligned himself with ISIL and began turning against his former Taliban colleagues at the beginning of October 2017. Hekmatullah's ISIL group

¹⁷ Haji Nasir Haqqani had become an outspoken critic of ISIL in recent public addresses.

¹⁸ A previous Afghan interlocutor reporting to the Monitoring Team has reported that the majority of the members of ISIL from Afghanistan originated from Kunar Province.

reportedly consisted of approximately 350 former Taliban fighters, who quickly established control in areas of Jowzjan bordering Faryab and Sari Pul Provinces, where both the Taliban and the Government of Afghanistan lack control. On 9 April, NATO Resolute Support Mission statements¹⁹ indicated that Hekmatullah and three of his bodyguards had been killed during an air strike in the Bal Chiragh district of Faryab Province. Mawlawi Habib ul-Rahman was subsequently reported to have been named as Hekmatullah's successor. Like Hekmatullah, ul-Rahman is both an ethnic Uzbek and a former local Taliban commander.

50. In March, a pro-ISIL group, al-Qastantiyyah Foundation, launched a media campaign on its Telegram channel aimed at promoting ISIL mobilization to Jowzjan and Nangarhar in Afghanistan. This has helped fuel speculation concerning potential relocation of foreign terrorist fighters from the ISIL core in Iraq and the Syrian Arab Republic to Afghanistan. On 12 April, the Afghan Ministry of Defence Spokesperson announced that a French national had been killed with ISIL fighters in Jowzjan by Afghan forces.²⁰

51. The number of ISIL relocations from Iraq and the Syrian Arab Republic has remained small. Afghan authorities identified 67 ISIL core relocators arriving in eastern Afghanistan between December 2017 and March 2018. Relocators were said to be "travelling under the flag of Al-Qaida" in order to ease passage, leading some interlocutors to view this as a sign of growing cooperation between the two groups. The total number of ISIL foreign terrorist fighters in Afghanistan who have previously fought in the Iraq and Syrian Arab Republic conflict zone is still believed to be 300 to 400 in total.

52. ISIL has both local and external sources of income. Local ISIL revenue consists of taxation on illicit timber and mineral exploitation by organized criminal networks, extortion and kidnapping for ransom. Outside sources include donations from Middle Eastern countries via hawala and courier networks.

53. There was still no evidence of ISIL profiting directly from the trade in narcotics, although some interlocutors stated that the group actively taxed criminal networks engaged in narcotics smuggling. A notable exception, however, may be the case of Qari Hekmatullah's ISIL branch in Jowzjan. During his time as a Taliban commander, Hekmatullah presided over a large increase in poppy production in Jowzjan, most notably in the districts of Darzab and Qush Tepah. According to 2017 reporting by UNODC, Jowzjan had the single-largest increase in poppy cultivation of any Afghan Province in 2016–2017, at 681 per cent. In this context, it would seem that the ISIL branch in Jowzjan may be directly profiting from poppy cultivation and production. If this is confirmed, it would place Hekmatullah's ISIL branch at odds with ISIL narcotics policy elsewhere.

54. According to Afghan officials, there has been no further evidence during the reporting period of financial transactions emanating from the ISIL core to ISIL in Afghanistan, but officials admitted that such transactions could not be entirely ruled out. Interlocutors reported that wages paid to ISIL forces were currently \$800 to \$1,200 per month for group leaders and specialist personnel; however, the rank and file were paid much less.

55. Information provided to the Monitoring Team has highlighted the revenues derived by ISIL from illicit activities related to the timber trade in Kunar Province.

¹⁹ NATO Resolute Support Afghanistan, "Top IS-K commander killed in northern Afghanistan", 9 April 2018. Available from www.rs.nato.int/news-center/press-releases/2018-press-releases/top-isk-commander-killed-in-northern-afghanistan.aspx.

²⁰ "French among Daesh fighters killed in Jawzjan", *Afghanistan Times* (Kabul), 12 April 2018. Available from <http://afghanistantimes.af/french-among-daesh-fighters-killed-jawzjan/>.

Afghan interlocutors stated that ISIL was believed to be earning, on average, the equivalent of approximately \$85,600 per month from timber smuggling activities. ISIL generates income by renting mules to local smugglers at cost, then charging a 30 per cent tax on timber subsequently sold by smuggling networks. Timber in Kunar has traditionally been a motivating factor for the insurgency, and previous attempts by the Government of Afghanistan to regulate the industry have collapsed, leaving only an illicit economy exploited by the Taliban, and now ISIL. Local tribal elders in Kunar reported in April that donkey trains were also being used to transport ammunition and ammonium nitrate.

56. Interlocutors familiar with the mining industry doubted that large amounts of illicit funds were being generated through mineral exploitation, stating that, during two years of fighting, the heavy equipment needed to extract and transport minerals had been withdrawn by mining contractors to Jalalabad, or other areas under government control. They consequently saw no prospect for insurgents to extract or transport the large volumes and weights of minerals required to make any worthwhile profit. The Monitoring Team was informed, for example, that the most prominent mineral mined in areas of ISIL control was talc, which only brought a retail value of roughly \$9.50 per metric ton. The Government was said to be losing \$1.46 million per annum in revenue from those mining areas outside its control in Nangarhar. Security interlocutors still insisted on mineral extraction being a source of income for ISIL, pointing to the taxes that it levied on the various networks of smugglers who had the capacity to engage in extraction and the ability to move unmolested across lines of government and insurgent control.

IV. Foreign terrorist fighters in Afghanistan

57. The situation with regard to foreign terrorist fighters operating in Afghanistan remains largely unchanged since the Monitoring Team's previous annual report (S/2017/409). Interlocutors indicate that movement of foreign terrorist fighters into Afghanistan is a direct result of military pressure by the security forces of Pakistan,²¹ combined with a lack of control by the Government of Afghanistan over areas along the border. Afghan officials, including President Ghani, have often stated that over 20 regional and international terrorist groups are currently fighting against government forces in Afghanistan, mainly in the border areas.

58. Afghan interlocutors related that the majority of foreign terrorist fighters were Pakistan nationals, chiefly Tehrik-e-Taliban Pakistan (QDe.132), who frequently crossed the border into Kunar and Nangarhar Provinces.²² The districts of Lalpura and Ghosta in Nangarhar and Sarkano in Kunar were identified as locations where Tehrik-e-Taliban Pakistan militants (as well as other foreign terrorist fighters) had arrived. The presence of other groups reported to the Monitoring Team included Lashkar-e-Tayyiba (QDe.118), Jaish-e-Mohammed (QDe.019) and Lashkar i Jhangvi (QDe.096). These fighters were primarily located in the border districts of Kunar and Nangarhar Provinces in the east, and the Khak-e-Afghan district of Zabul Province in the south.

59. With regard to the role played by Lashkar-e-Tayyiba, the group is reported to have connections and cordial relations with the Taliban, Al-Qaida (QDe.004), the Haqqani Network (TDe.012) and ISIL simultaneously. One Afghan interlocutor

²¹ Pakistan carried out Operation Zarb-e-Asb (2014–2016) to clear militants from areas of North Waziristan. A follow-up operation, Radd-ul-Fasaad, was launched in Federally Administered Tribal Areas in February 2017.

²² The group announced the death of Tehrik-e-Taliban leader Maulana Fazlullah's (QDi.352) son, Abdullah, in an air strike on 7 March, that reportedly occurred in Kunar Province.

indicated that Lashkar-e-Tayyiba played a key role in facilitating recruitment from a network of unregistered madrasas inside Pakistan. Upon departure from madrasas, fighters proceeded to Afghanistan, where they joined existing militant groups. It was reported to the Monitoring Team that many ISIL fighters in Kunar and Nangarhar had originally been affiliated with Lashkar-e-Tayyiba, while another group of mixed Lashkar-e-Tayyiba and Jaish-e-Mohammad fighters located in the Dangam district of Kunar were under Taliban control, but also had cordial relations with ISIL forces in the area.

60. Small groups of East Turkistan Islamic Movement (QDe.088) fighters and their families were reported to be dwelling in Badakhshan (Jurm and Warduj districts), Kunar and Nangarhar Provinces. The Movement continues to be affiliated with Al-Qaida but, as with Lashkar-e-Tayyiba, has also been associated with ISIL in some areas. On 2 April 2018, the Taliban issued a statement in Arabic on its website denying claims by the Government of Afghanistan that Chinese fighters had been killed in the Jurm district of Badakhshan, declaring that the story was "completely baseless" and that "there are no nationals from other countries among the mujahideen".

61. Afghan officials stated that Jamaat-ul-Ahrar (QDe.152) had a presence of 230 to 260 fighters in the Ghosta district of Kunar and roughly 300 in the Lalpura district of Nangarhar. As with other foreign terrorist fighters, many members of Jamaat-ul-Ahrar were said to be accompanied by their families, as they had fled Pakistan security operations. On 21 October 2017, the group announced the death of its leader, Umar Khalid Khorasani (not listed), in an air strike in Afghanistan's Paktiya Province. The group subsequently appointed Khorasani's former deputy, Mawlawi Dost Mohammad (not listed) (also known as Mullah Assadullah Afridi) as the new leader of Jamaat-ul-Ahrar.

62. It was reported to the Monitoring Team that the second most prolific group of foreign terrorist fighters in Afghanistan consisted of Uzbek nationals, many of whom fell under the Islamic Movement of Uzbekistan (QDe.010). Some 120 members of the Movement affiliated with Al-Qaida had reportedly relocated from North Waziristan to join Taliban forces in Uruzgan Province under direct authorization from Haibatullah Akhundzada. Interlocutors reported that the group was considered to be ISIL-leaning, but was concealing its allegiance for fear of a Taliban backlash.²³

63. Afghan officials reported the capture of a German national, using the name of Mullah Abdul Ahad, by Afghan National Defence and Security Forces in Helmand on 1 March 2018. Mullah Ahad was described as an improvised explosive device facilitator and military adviser to Mullah Nasir, a well-known Taliban "Red Unit" commander who was killed by Afghan forces in December 2017.

V. Sanctions implementation

A. Travel ban

64. As in past reporting periods (see S/2017/409, para. 41), the Monitoring Team continued to observe regular open-source accounts alleging the travel of individuals listed on the 1988 (2011) sanctions list, often in relation to efforts to start direct

²³ This is reminiscent of situation when some members of the Islamic Movement of Uzbekistan aligned themselves with the breakaway pro-Mullah Dadullah Taliban faction that emerged following the announcement of the death of Mullah Omar in 2015, while others pledged allegiance to ISIL. Both splinter groups clashed with mainstream Taliban loyal to Mullah Mansour and were defeated during Taliban-on-Taliban fighting in Zabul Province in November 2015.

negotiations between the Taliban movement and the Government of Afghanistan.²⁴ While the Monitoring Team has not received official confirmation of any of those potential violations of the travel ban by a Member State, reports of listed individuals travelling continue to demonstrate that the implementation of the travel ban remains a challenge and that it is being ignored by some Member States. In paragraphs 19 and 20 of Security Council resolution 2255 (2015), specific exemption procedures relating to the travel ban and asset freeze are outlined in case travel of a listed individual to participate in meetings in support of peace and reconciliation is deemed necessary. However, during the period under review, no such exemptions were sought.

65. Given the momentum generated by the Kabul Process and the importance of increasing international engagement to persuade the Taliban to respond positively to it, the Monitoring Team recommends that the Committee write to all Member States highlighting the importance of using the 1988 (2011) sanctions regime to encourage and facilitate such engagement, and the requirement that any international travel by listed persons be submitted in accordance with the exemption procedures set out in paragraphs 19 and 20 of Security Council resolution 2255 (2015).

B. Asset freeze

66. The Government of Afghanistan continues to develop the domestic, legal and regulatory system guiding the country's financial sector. In June 2017, the Financial Action Task Force removed Afghanistan from its compliance watch list, noting that the country had met its commitments in addressing deficiencies identified by Task Force in 2012. Afghanistan is, therefore, no longer subject to the global anti-money-laundering/combating the financing of terrorism compliance monitoring process of the Task Force, and will work with the Asia/Pacific Group on Money Laundering to address remaining issues.

67. During 2017, the Financial Transactions and Reports Analysis Centre of Afghanistan (FinTRACA) announced that it had increased its responses to requests for information from law enforcement agencies by 24 per cent in comparison with 2016, with a 92 per cent response rate overall. FinTRACA also signed memorandums of understanding with the Chinese Anti-Money Laundering Monitoring and Analysis Centre, the Korean Financial Intelligence Unit and the State Financial Monitoring Service of Ukraine, bringing the total number of FinTRACA memorandums of understanding to 16. Proceeding within legal frameworks, FinTRACA reportedly shared information in response to 33 requests from international financial intelligence units related to 132 investigations. In a further effort to counter terrorist financing and disrupt money laundering, FinTRACA established a database of 193 designated high-risk individuals, known as the watch list. With regard to compliance, FinTRACA reported 7.3 million afghanis (approximately \$104,000) seized through fines on money service providers and banking establishments in 2017 compared with 3.2 million afghanis in 2016. The measures taken included the freezing of 91 bank accounts and the suspension of the business licences for 8 money service providers, and the revoking of a further 25.

²⁴ See "Afghan Taliban claim they met Pakistan officials in Islamabad", *Express Tribune* (Islamabad), 25 January 2018 (available from <https://tribune.com.pk/story/1617330/3-afghan-taliban-claim-met-pakistan-officials-islamabad/>); and Sami Yousafzai, "Taliban leader approved Islamabad meeting on Afghan peace talks: sources", *Reuters*, 17 January 2018 (available from www.reuters.com/article/us-pakistan-taliban/taliban-leader-approved-islamabad-meeting-on-afghan-peace-talks-sources-idUSKBN1F623B).

68. In terms of Security Council resolution 1267 (1999) and the 1988 (2011) sanctions, Afghanistan created a database of Security Council resolutions in Dari and Pashto, which resulted in 23 automated notifications being released to law enforcement and public and private sector bodies. Of these, 22 related to resolution 1267 (1999) and 1 to resolution 1988 (2011).²⁵

C. Arms embargo

1. Improvised explosive devices

69. During the reporting period, there was no significant reporting to the Monitoring Team of changes to the design or use of improvised explosive devices by the Taliban, ISIL or other militant groups in Afghanistan. One possible exception to this has been the use of captured Afghan National Defence and Security Forces Humvee (high-mobility multipurpose wheeled vehicle) armoured vehicles by the Taliban for vehicle-borne improvised explosive device attacks against Afghan National Defence and Security Forces installations. The armoured Humvees are able to carry significantly heavier payloads of explosives and were particularly effective in complex attacks staged by the Taliban on 16, 17 and 19 October against Afghan National Defence and Security Forces targets in Ghazni, Paktiya and Kandahar Provinces, leading to the reported deaths of 123 members of the Afghan National Defence and Security Forces.²⁶

70. Previous statements to the Monitoring Team by Afghan and international officials highlighting gradual reductions in the use of improvised explosive devices (see S/2017/409, para. 46) have subsequently been borne out by reporting by the United Nations Assistance Mission in Afghanistan (UNAMA) for 2017, which shows an overall decrease in civilian casualties resulting from traditional improvised explosive device platforms (radio-controlled, pressure plate and magnetic improvised explosive devices) of 14 per cent compared with 2016, representing a continued reduction in related casualties since 2015. However, UNAMA also reported an increase of 17 per cent in suicide attacks involving the use of explosive vests and vehicle-borne improvised explosive devices, which resulted in 605 deaths and 1,690 injuries.²⁷ The most shocking example of this was the vehicle-borne improvised explosive device which detonated in the vicinity of the German Embassy in Kabul on 1 May during rush-hour traffic, killing 92 and injuring 491. As many interlocutors of the Monitoring Team reported a change of tactics by the Taliban from more conventional military operations to hit-and-run guerrilla techniques, the downward trend in improvised explosive device attacks may reverse as insurgents return to intensified emplacement of such devices in response to Afghan National Defence and Security Forces offensive military action.

71. Afghan officials reported to the Monitoring Team increased usage of cyclotrimethylenetrinitramine (RDX) military grade explosives in high profile attacks that took place during the reporting period. Interlocutors reported that military grade explosives used by the Taliban and ISIL were from captured Afghan National Defence and Security Forces stocks, but that RDX was also being supplied covertly by regional

²⁵ Da Afghanistan Bank Financial Intelligence Unit, *Annual Report 2017*.

²⁶ For an overview, see Thomas Ruttig, "The 'humvee bomb' series: the October wave of Taliban attacks in 2017 context", 7 November 2017. Available from www.afghanistan-analysts.org/the-humvee-bomb-series-the-october-wave-of-taliban-attacks-in-2017-context/.

²⁷ See UNAMA and the Office of the United Nations High Commissioner for Human Rights, "Afghanistan: protection of civilians in armed conflict: annual report 2017" (Kabul, 2018). Available from https://unama.unmissions.org/sites/default/files/afghanistan_protection_of_civilians_annual_report_2017_final_6_march.pdf.

Member States to insurgent groups. Throughout 2017, there were regular open-source reports of shipments of ammonium nitrate being confiscated by the Afghan authorities.²⁸

72. Given the importance of the various constituent elements to the production of improvised explosive devices in Afghanistan and the importance of explosive materials, detonating cords and detonators to illegal mining activities (from which militants derive significant income), the Monitoring Team recommends that the Committee write to Member States urging them to work with the Government of Afghanistan to ensure that such items are supplied only to legitimate end-users. This will require an increase in international information-sharing, the full use of Member States' national laws, the raising of public and private sector awareness of the sensitivity of these items and the development of strong "know-your-customer" cultures, so as to ensure that such items do not fall into the hands of militants.

2. Arms and ammunition

73. The Taliban supply of arms and ammunition remains a concern, as does that of ISIL. Afghan interlocutors told the Monitoring Team that at no time had the Taliban encountered difficulty in obtaining resupply of such materiel. The origins of arms and ammunition remain difficult to trace, but all of the Monitoring Team's Afghan interlocutors and some Member States reported that significant quantities of arms and ammunition used by the Taliban were being illegally obtained by, or provided to, the movement from outside Afghanistan. The Monitoring Team will continue to engage with Member States of the region to raise awareness of this issue.

74. The Monitoring Team continues to receive direct reporting from interlocutors of equipment and supplies, including ammunition, fuel and weapons, being redirected from Afghan National Defence and Security Forces logistical supply chains for sale to third parties, including the Taliban. Despite progress in combating corruption within the Afghan National Defence and Security Forces,²⁹ this remains a key source of concern for the security sector. In a report of the Special Inspector General for Afghanistan Reconstruction from September 2017, the monitoring and oversight of ammunition by Afghan National Defence and Security Forces was described as so poor that the Taliban "instructed their field commanders to simply purchase United States-supplied weapons, fuel and ammunition from Afghan soldiers because to do so is both easier and less expensive for the insurgents".³⁰

75. Regarding the supply of night vision equipment to the Taliban, several interlocutors provided samples and images of confiscated equipment to the Monitoring Team. It is likely that the equipment was captured from Afghan National Defence and Security Forces. The Monitoring Team was also shown items such as the palm-sized universal thermal monocular produced by BAE Systems as part of its OASYS thermal imaging family, which were probably supplied from the open market. These devices can be handheld or mounted on a variety of weapons, including sniper rifles. The units do not have magnification capability, but can be rail-mounted in front

²⁸ Ammonium nitrate-based fertilizer was banned by the Government of Pakistan in November 2009, but only in the districts of Chitral, Lower Dir, Malakand, Swat and Upper Dir of Khyber Pakhtunkhwa Province. The Government of Afghanistan introduced a country-wide ban in January 2010.

²⁹ For example, in June, the Ministry of the Interior announced the arrest of more than 200 Ministry officials for corruption. Similarly, two Afghan national army colonels were sentenced to prison for 18-year and 20-year terms and fined more than \$1.5 million in connection with a military generator fuel scheme.

³⁰ United States, Special Inspector General for Afghanistan Reconstruction, *Reconstructing the Afghan National Defence and Security Forces: Lessons from the U.S. Experience in Afghanistan* (Arlington, 2017). Available from www.sigar.mil.

of a telescopic sight to allow for magnified imagery at night. The units have visible and infrared laser pointers for target indication to other users of night-vision goggles. They are also able to record video.

VI. Work of the Monitoring Team

A. Cooperation with Member States and academic and civil society experts

76. The Monitoring Team cooperates closely with the Government of Afghanistan and has continued its schedule of frequent visits to the country in 2017 and 2018. In October 2017, the Monitoring Team participated in the visit of the Chair of the 1988 (2011) and ISIL (Da'esh) and Al-Qaida sanctions committees to Afghanistan. In addition, the Monitoring Team accompanied the same Chair on visits to Tashkent in November 2017 to participate in the Shanghai Cooperation Organization international conference on cooperation in combating terrorism and extremism. During its visits to Afghanistan and to other countries, as well as its attendance at several regional and international intelligence service meetings, the Monitoring Team gathered information on the situation in Afghanistan for the present report. The Monitoring Team continued to engage academic and civil society experts on the Taliban movement and the situation in Afghanistan. The Monitoring Team has previously engaged, and continues to engage, with Afghan analysts and academics during its visits to the country. In addition, the Monitoring Team has engaged academic experts on Afghanistan in the Russian Federation, the United States, Europe and the Central Asian States.

B. Cooperation with regional organizations

77. In addition to its ongoing cooperation with the Government of Afghanistan, the Monitoring Team continues to work with the Combined Maritime Forces Combined Task Force 150, UNODC and the World Customs Organization Global Container Control Programme to identify and analyse Taliban involvement in drug flows from Afghanistan across the Indian Ocean.

78. In a similar manner, the Monitoring Team continues to engage with the Collective Security Treaty Organization, with a view to identifying Taliban involvement in the flow of narcotics through the so-called "northern route". The Monitoring Team has also engaged the Shanghai Cooperation Organization and the Commonwealth of Independent States Anti-Terrorism Centre on this and related issues.

C. Cooperation with other United Nations bodies

79. The Monitoring Team continues to cooperate closely with UNAMA and is grateful for the support that it receives on a regular basis from UNAMA during and between its visits to the country. The Monitoring Team also continues to engage with relevant UNODC experts on the drug economy in Afghanistan.

D. Cooperation between the Security Council and the International Criminal Police Organization

80. The Monitoring Team continues to cooperate with the National Central Bureau of the International Criminal Police Organization (INTERPOL) in Kabul, as well as

with INTERPOL working groups and departments at the Organization's headquarters in Lyon, France. The INTERPOL New York Liaison Office and United Nations staff members mandated to support the work of the Monitoring Team have also facilitated the passing of relevant information on listed individuals and entities from the national central INTERPOL bureaux of various Member States.

E. Contributing to the public debate

81. The Monitoring Team welcomes feedback on the analysis and suggestions contained in the present report, which can be sent by email (1988mt@un.org).
